

## Message Text

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21

ORIGIN AF-06

INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 AGR-05 AID-05

TRSE-00 CIAE-00 INR-07 NSAE-00 L-02 OMB-01 /046 R

DRAFTED BY AF/C:RRSTRAND:GJB

APPROVED BY AF/C:WLCUTLER

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R 192339Z PEB 75

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

INFO AMEMBASSY BRUSSELS

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E.O. 11652: N/A

TAGS: EFIN, EPEP, CG

SUBJECT:CONTINENTAL GRAIN WHEAT SHIPMENTS

REF: STATE 035191

1. EGGER REPORTS CONTINENTAL GRAIN HAS DECIDED TO DIVERT ONE OF THE TWO WHEAT SHIPMENTS DUE KINSHASA NEXT FEW DAYS BUT IS PROCEEDING WITH SHIPMENT NOW LOADING. LATTER WOULD REACH KINSHASA EARLY APRIL AND COULD BE DIVERTED EN ROUTE IF SATISFACTORY FINANCIAL ARRANGEMENTS CANNOT BE MADE.

2. UPON RECALCULATION, EGGER REPORTS THAT WHEAT PRESENTLY IN STOCK IN ZAIRE (13,000 TONS) PLUS SHIPMENT TO BE UNLOADED NEXT FEW DAYS (6600 TONS) IS SUFFICIENT TO SUPPLY NORMAL PRODUCTION NEEDS FOR TWO AND ONE-HALF MONTHS, I.E., UNTIL AFTER EARLY APRIL ARRIVAL OF SHIPMENT NOW LOADING. THUS, DIVERSION OF ONE SHIPMENT SHOULD HAVE NO IMPACT ON MIDEMA OPERATION.

3. MIDEMA REPS HAVE APPOINTMENT AT CENTRAL BANK FEBRUARY 19  
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TO DISCUSS FINANCING QUESTION. ACCORDING EGGER, THEY WILL OFFER 180-DAY DEFERRED LETTER OF CREDIT TERMS FOR FUTURE SHIPMENTS (PRESUMABLY FOR DURATION ZAIRE'S FINANCIAL PINCH) IN RETURN FOR CENTRAL BANK ASSURANCE THAT PAYMENT OF 6 MILLION DOLLARS FOR WHEAT ALREADY DELIVERED WILL BE MADE AS IT COMES DUE (1.5 MILLION DOLLARS UPON DELIVERY OF SHIPMENT ARRIVING NEXT FEW DAYS, ADDITIONAL 2.8 MILLION DOLLARS WITHIN NEXT 60 DAYS, AND FURTHER 1.6 MILLION DOLLARS OVER NEXT 6-8 MONTHS). NET EFFECT OF DEFERRED PAYMENT FOR NEW SHIPMENTS, ACCORDING TO EGGER, WOULD BE TO CUT ZAIRE'S WHEAT PAYMENTS FOR 1975 ROUGHLY IN HALF (FROM ABOUT 22 MILLION DOLLARS TO 10 MILLION DOLLARS). WITH CENTRAL BANK GUARANTEE, CONTINENTAL WOULD HOPE TO BE ABLE TO FIND U.S. BANK WILLING CONFIRM DEFERRED PAYMENT LETTER OF CREDIT. WE HAVE PUT EGGER IN TOUCH WITH EQUATOR BANK OF HARTFORD, WHICH IS CONSIDERING OFFERING SOME SHORT-TERM EXPORT-IMPORT COVER FOR ZAIRE AS AN INVESTMENT IN FUTURE GOODWILL. KISSINGER

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 FEB 1975  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition Reason:**  
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**TAGS:** EAID, EFIN, EPAP, ETRD, CG, US  
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